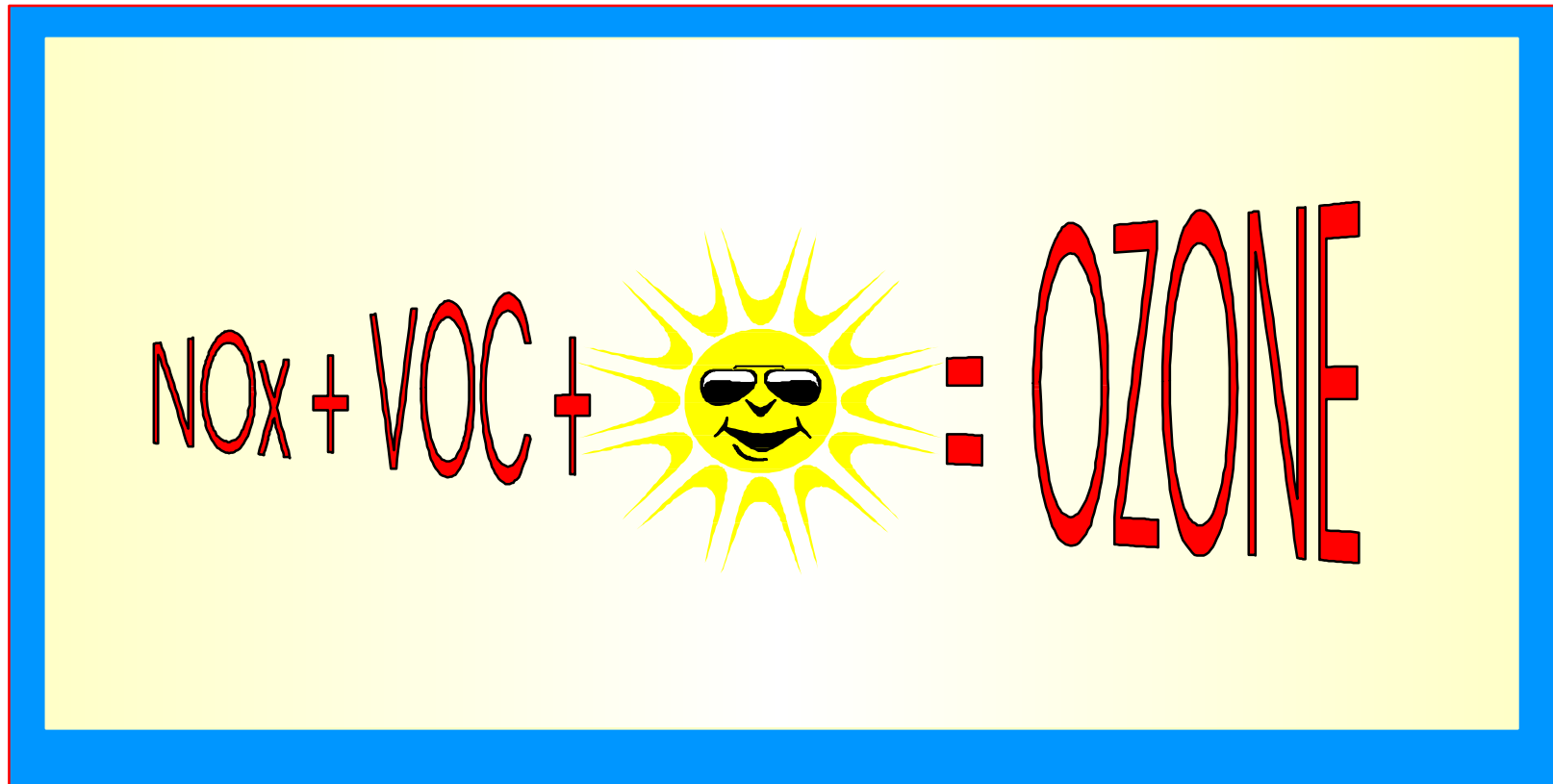
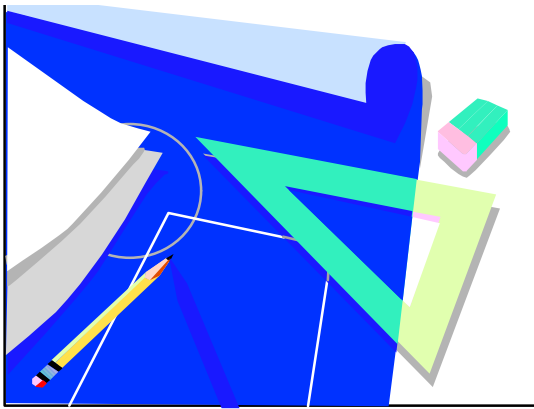


September 1998



Overview EPA's Final NO_x "SIP Call" and Related Actions



What We'll Cover Today....

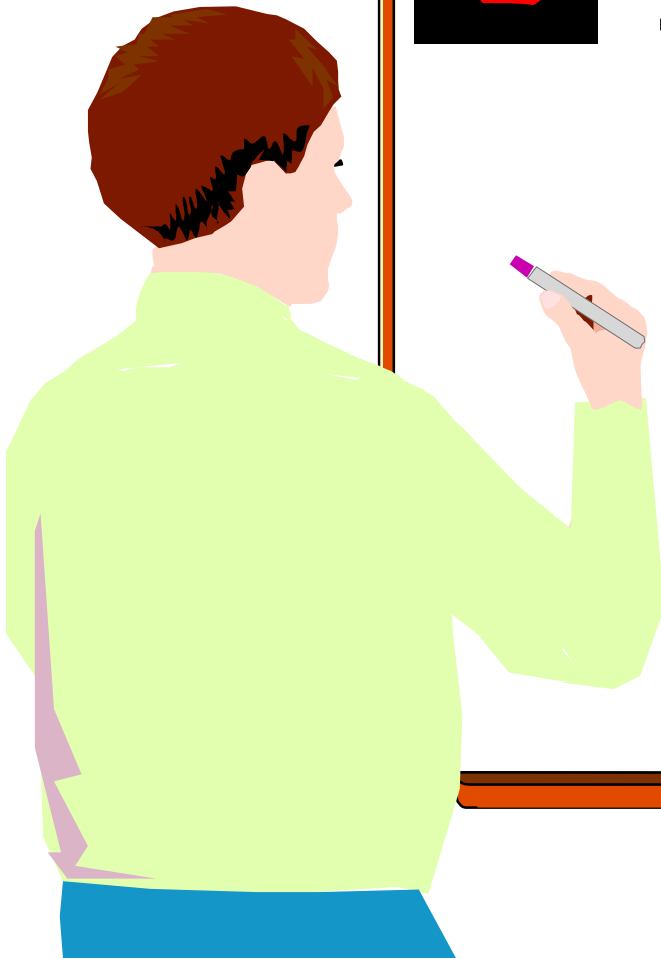
- ▶ **"SIP Call" to Address Regional Transport**
- ▶ **Action on Section 126 Petitions**
- ▶ **Federal Implementation Plan for NO_x Reductions**

Remember ... Not final yet

Focus on ...



The "SIP Call" to Address Regional Transport



OTAG work critical to EPA's SIP Call....

What is was the Ozone Transport Assessment Group (OTAG)?

- ▶ 37 Eastern States and DC
- ▶ Brought together under ECOS in May 1995
- ▶ 2 years of extensive analysis and modeling work
- ▶ Recommended reducing NO_x emissions
- ▶ EPA received OTAG recommendations in June 1997



Final Transport SIP Call ... What might it do?

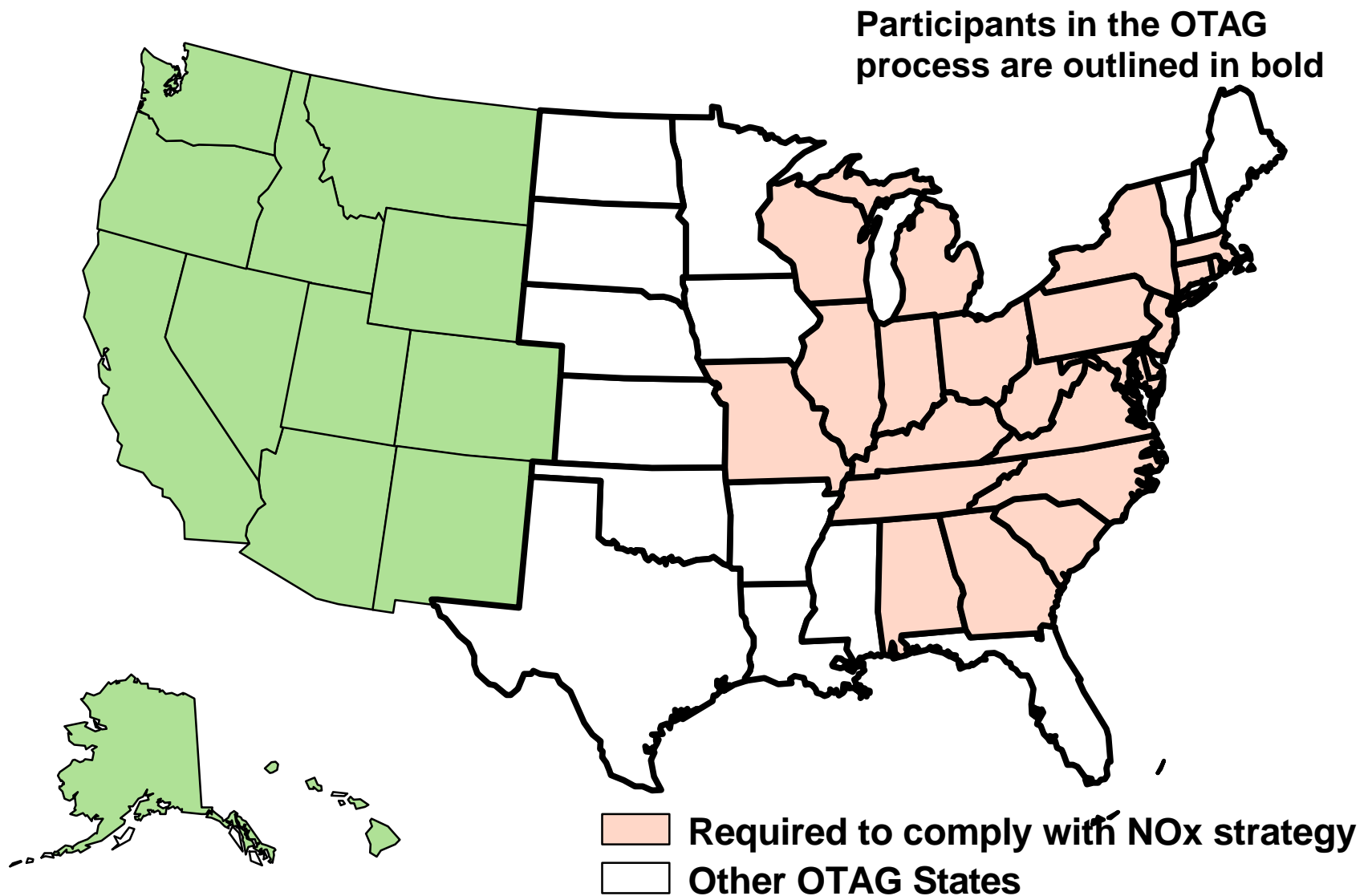
- ▶ **Makes findings of significant contribution of transported ozone precursors to a downwind nonattainment or maintenance problem in eastern half of US**
- ▶ **Addresses both old and new ozone NAAQS**
- ▶ **Proposed State-wide NOx emissions budgets (22 States and DC)**
 - **Alabama, Connecticut, District of Columbia, Delaware, Georgia, Illinois, Indiana, Kentucky, Massachusetts, Maryland, Michigan, Missouri, North Carolina, New Jersey, New York, Ohio, Pennsylvania, Rhode Island, South Carolina, Tennessee, Virginia, Wisconsin, and West Virginia.**
- ▶ **15 States in the OTAG domain were excluded in proposal**
 - **Arkansas, Florida, Iowa, Kansas, Louisiana, Maine, Minnesota, Mississippi, North Dakota, Nebraska, New Hampshire, Oklahoma, South Dakota, Texas, Vermont**

SIP Call Final ... What might it do?

(continued)

- ▶ **Permits States to choose what NOx measures to adopt to meet the State-wide emission budget**
- ▶ **Requires these to submit by 9/99 State plans to secure NOx emission reductions to meet budgets**
- ▶ **Suggests regulating utility and large boiler controls under a cap and trade program ... most cost-effective strategy**
- ▶ **Finalized at the same time as Section 126 and Federal Implementation Plans are proposed**

States Affected by Proposed NOx SIP Call



EPA's supplemental NOx SIP Call proposal ..

SNPR Proposal Highlights

- ▶ **Revised NOx Budgets--Growth Factors and Addition of Sources**
- ▶ **Model Trading Rule**
- ▶ **Title IV Interaction**
- ▶ **Emissions Reporting & SIP Criteria**
- ▶ **Air Quality Analysis of Proposed Budgets**
- ▶ **Rule Language**

What did the public say about the proposals

...

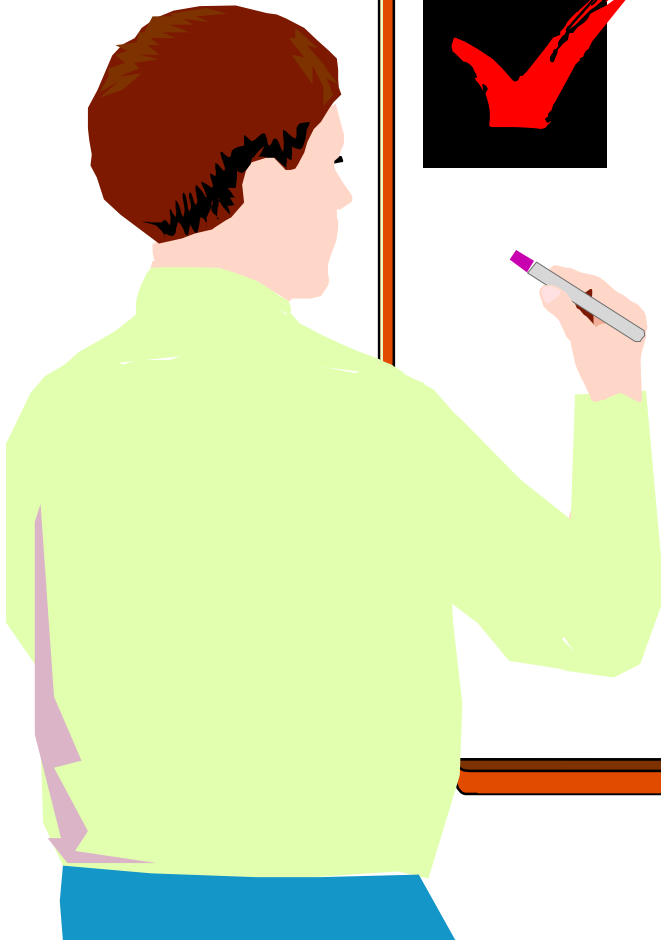
March 9 & June 25 Submittals

- ▶ **EPA has received over 600 comments on the proposals. Comments focused on:**
 - ✓ **Alternative Proposals--Governors; ACAP**
 - ✓ **Level of control & regionality vs. uniform**
 - ✓ **Trading and basic associated with it**
 - ✓ **Timing--compliance date/phase-in/ SIP submittal date**
 - ✓ **Emissions budgets--inventories/growth factors**

Focus on ...



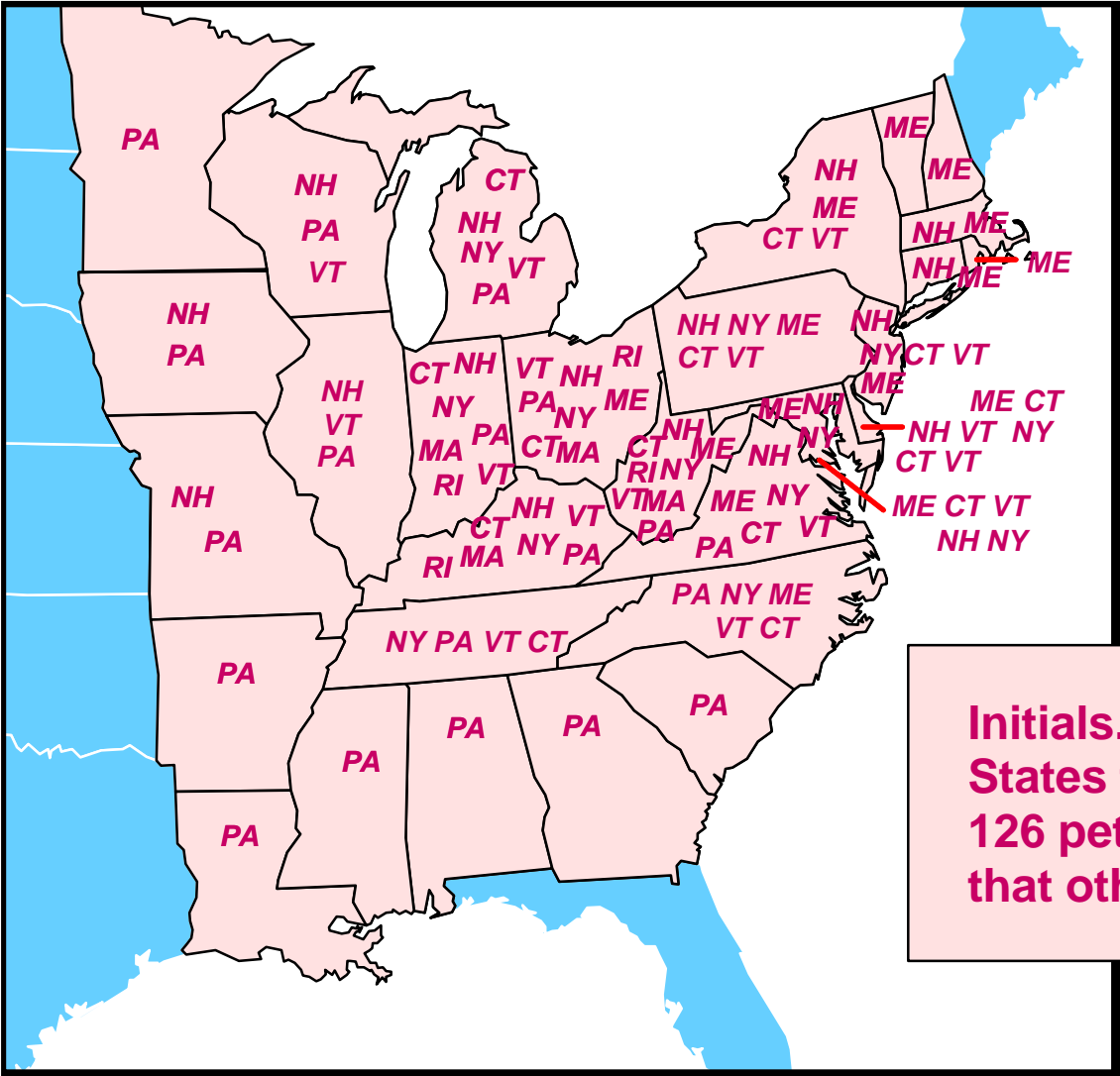
Proposed Action on Section 126 Petitions



Summary of Northeast States' Section 126 Petitions

- ▶ **Petitions Filed in August 1997 by Eight States:**
 - **Maine, New Hampshire, Vermont, Rhode Island, Massachusetts, Connecticut, New York and Pennsylvania**
- ▶ **The Petitions Name 27 States:**
 - **All the 22 States and DC Covered by the Ozone Transport SIP Call**
(AL, CT, DE, DC, GA, IL, IN, KY, MD, MA, MI, MO, NJ, NY, NC, OH, PA, RI, SC, TN, VA, WI, and WV)
 - **Plus Five Additional States**
(AR, IA, LA, MS, MN)
- ▶ **The Goal of the Petitions is to Reduce NOx Emissions**

Which States Have Sources That Are Named in the 126 Petitions?

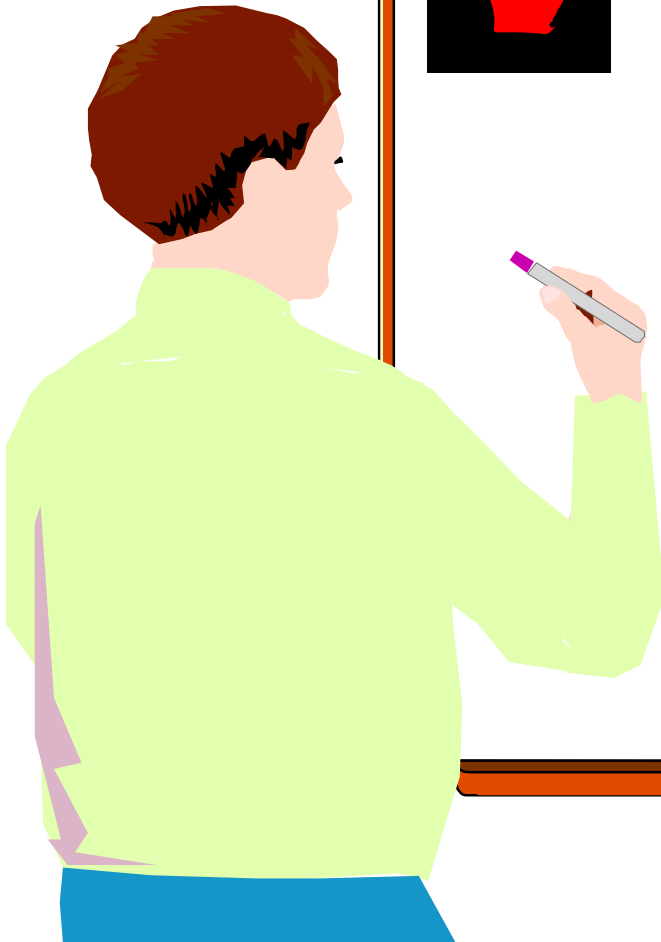


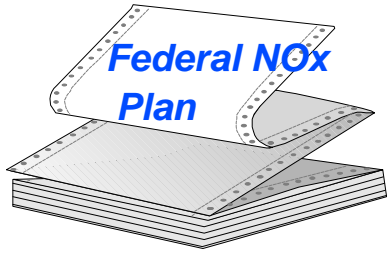
Initials.... Indicate the States that filed section 126 petitions against that other State.

Focus on ...



Proposed Federal Implementation Plan





Federal Implementation Plan (FIP) Highlights of Proposal ...

- **Designed to achieve same emissions reductions as "SIP call."
Reductions based on highly cost-effective control measures**
- **Small Business Law outreach and panel report completed; impacts on small entities minimized.**
- **Final FIPs promulgated "immediately" for States that fail to respond to the SIP call in September 1999.**
- **Federal plan may propose to use same trading program as proposed in the Section 126 notice.**
- **FIP may propose specific rules to control NOx emissions from uncontrolled levels:**
 - Electric generating units**
 - Cement kilns**
 - Industrial boilers and Turbines**
 - Stationary IC engines**

Summary



- ▶ **NOx "SIP call" for old 1-hr and new 8-hr ozone NAAQS's**
- ▶ **OTAG provided foundation for the SIP call**
- ▶ **"Significance" determined by "weight of evidence"**
- ▶ **22 States and DC proposed for NOx SIP call**
- ▶ **Statewide NOx budgets suggested trading suggested**
- ▶ **SIP call proposed 11/97, Supplemental Notice proposed 5/98 Final --September 1998**
- ▶ **EPA will propose a FIP and Section 126 findings on 9/98**